

**2/23/77**

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Page 1

notes from meeting with  
Prime Minister Trudeau

THE PRESIDENT HAS SEEN.

The President and the Prime Minister took note of the progress the United States and Canada each have made in the implementation of extended fishery jurisdiction. They reviewed the progress the two countries have made in negotiations intended to ensure that the interests of each in the fishery zone of the other are accommodated reciprocally for the remainder of the year, looking forward to longer term arrangements which are yet to be negotiated.

With respect to the mutual interest of the two countries in the sound management and conservation of salmon stocks which intermingle off the coast of each, the President and the Prime Minister took note of the need for each to consult on management plans affecting the fishing interests of the other. They recognized that each country must manage within the terms of its domestic laws. They assured each other, however, that under an interim agreement they would be guided in the application of their domestic law by the principles of preserving existing patterns of their reciprocal fisheries and the interest of the state of origin in salmon spawned in its rivers. These principles would also guide the two countries in consultations they would hold at the technical and official levels during the process of preparing regulatory measures

for salmon fisheries and in such consultations as may be requested between Cabinet-level officers of the two countries, prior to the final approval and application of these measures.

They agreed to instruct the Cabinet-level officers whose representatives will conduct the salmon management consultations following signature of an agreement to

- initiate consultations immediately
- to be guided by the above principles.

PM TRUDEAU

2/24

SHARE CONTINENT  
DEEP RESPECT  
EACH OTHER  
FREEDOM  
DEMOCRACY  
PEACE  
NEXT TWO DAYS

THE WHITE HOUSE

McKenzie Valley

Schlesinger / Gillespie

MNTech Apoc MTN

Arms purchase - pause

All to Geneva - no precedents

Peace withdrawal / Palestinians

Arafat = moderate?

Extra territorial control on  
US/Can Companies

Arab boycott

Treaty / agreement

0000

THE WHITE HOUSE  
WASHINGTON

Summit - Trade - Energy -  
USSR - SALT - MBFR - CSCE  
NATO - NORAD - N/S - S Africa  
Cuba - Jam - Man Relief -  
Mide - PRC

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Stimulation - Fish - Garrison  
H<sub>2</sub>O Qual. Oil Spills -  
St Lawrence Tolls - Tax Law  
Autos - Prisoners - Wheat Surplus

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THE WHITE HOUSE

WASHINGTON

February 23, 1977

To General Morris

I appreciate your words of support and your comments about the inter-relationship between projects of the Corps and our environment. Thank you for letting me hear from you.

Sincerely,

*Jimmy Carter*

Lieutenant General J. W. Morris  
Chief of Engineers  
Department of the Army  
Washington, D.C. 20314

*p.s. I'm grateful for your  
approach to this problem.  
Please arrange with Tim  
Kraft to see me personally.*

*J.*  
*cc: Kraft*



DEPARTMENT OF THE ARMY  
OFFICE OF THE CHIEF OF ENGINEERS  
WASHINGTON, D.C. 20314

REPLY TO  
ATTENTION OF:

22 February 1977

DAEN-ZA

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I am writing this personal letter to emphasize my pleasure and added support to your decision to review all on-going federally financed water resource projects. Secretary Alexander is aware of my views on this matter. My enthusiasm for your bold undertaking is founded in several reasons:

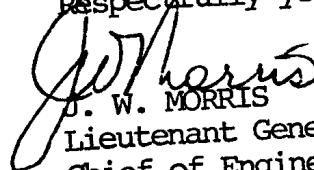
For seven years I have been intimately involved in amending Corps procedures and priorities to support national environmental objectives. During this time my predecessors have projected many new initiatives--nonstructural solutions for flood problems, assistance to states in water planning, building and preserving wetlands, wastewater management, urban planning, etc.--while working hard to reshape old projects to meet newly legislated criteria. This latter has been slow and often the subject of painful criticism in the environmental community, in the courts, and in government. I believe this "catching up" is about finished, and we may be much better adjusted than most realize. Even so, only by a review such as you propose can we be certain and the public be satisfied.

The price for reaching back has been expensive. Once we can turn our many talents fully to the future, achievements toward fulfilling our nation's environmental consciousness and objectives will be most satisfying - maybe even surprising. Sir, there is so much to do! I wish I could discuss with you personally my thoughts on how the Corps of Engineers can help resolve national issues in Energy, Environment, Economy, and Employment, once the past is really past. In any case, you are assured of my personal support and that of the Corps of Engineers. I am sure no other agency under your command can do as much, as well, or as promptly.

Finally, out of this review should emerge the priorities and policies which will mark the direction this nation will follow for many years as a good steward of its water resources.

Again, thanks to you, a good program is emerging - controversial, but essential.

Respectfully yours,

  
J. W. MORRIS

Lieutenant General, USA  
Chief of Engineers

THE WHITE HOUSE

WASHINGTON

MEETING WITH CONGRESSMAN AND MRS.  
JONATHAN B. BINGHAM (D-NY)

Wednesday, February 23, 1977  
9:45-10:15 a.m. (30 minutes)  
The Oval Office  
From: Frank Moore *FM*

I. PURPOSE

The purpose of the meeting between Congressman and Mrs. Bingham with The President is to report on The Bingham's recent trip to Cuba and their meeting with Fidel Castro.

II. BACKGROUND, PARTICIPANTS & PRESS:

- A. Background: Congressman and Mrs. Bingham went to Cuba on February 10-15, 1977 with two staff aides. The invitation came through associations with staff aides and UN sources. (Congressman Bingham is Chairman of the Subcommittee on International Economic Policy and Trade of the House International Relations Committee.)
- B. Participants: The President; Congressman and Mrs. Bingham.
- C. Press: White House Photographer only.

III. TALKING POINTS

- 1. To have a report to The President from Congressman and Mrs. Bingham with regard to their recent trip to Cuba and their meeting with Fidel Castro.
- 2. To discuss the appointment of a Director for the Arts and Humanities.

THE WHITE HOUSE

WASHINGTON

MEETING WITH ORAL ROBERTS AND BILL  
NASH

Wednesday, February 23, 1977

4:45 p.m. (10 minutes)

The Oval Office

From: Frank Moore *FM*

I. PURPOSE

Congressman Jim Jones (D-Okla.) requested this appointment with The President in order to discuss with The President the major hospital/medical center now under construction at Oral Roberts University and to invite The President to commencement at ORU in late May, 1977.

II. BACKGROUND, PARTICIPANTS & PRESS:

- A. Background: As outlined above. (Also, The President will recall that Bill Nash was a Carter Campaign supporter throughout the campaign. Bill Nash is a banker in Oklahoma, who at one time worked for Oral Roberts.) Further note of interest is that just last week the deaths of Marshall and Rebecca in a plane crash touched the lives of Oral Roberts and Bill Nash. Marshall Nash was the brother of Bill Nash and Rebecca Nash was the daughter of Oral Roberts. This, of course, has nothing to do with the meeting, but perhaps The President might wish to offer condolences.
- B. Participants: The President; Oral Roberts and Bill Nash; Congressman Jim Jones.
- C. Press: White House Photographer only.

III. TALKING POINTS

- 1. Discussion of the major hospital/medical center now under construction at Oral Roberts University.
- 2. Invitation to The President to commencement exercises at Oral Roberts University in late May 1977.

February 22, 1977

MEETING WITH SENATOR HOWARD BAKER AND CONGRESSMAN JOHN RHODES

Wednesday, February 23, 1977

10:30 a.m. (20 minutes)

The Oval Office

From: Frank Moore *F.M.*I. PURPOSE

To discuss Republican appointments to Federal Boards, Commissions, etc.

II. BACKGROUND, PARTICIPANTS, PRESS PLANA. Background:

Many federal boards and commissions are required, by statute, to have bipartisan memberships. Senator Baker and Congressman Rhodes will want to determine what influence, if any, they will have and what procedures are to be followed in filling Republican appointments.

B. Participants:

Senator Howard H. Baker, Jr. (R-Tenn.)  
Senate Minority Leader

Congressman John Rhodes (R-1st Ariz.)  
House Minority Leader

Frank Moore; Vice President Walter Mondale

C. Press Plan: White House Photo Only

*pick*

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THE WHITE HOUSE  
WASHINGTON

Mr. President:

Brief from Stu and Landon  
attached on meeting with  
Marshall.

Long memorandum from  
Marshall on situs picketing,  
with comments from Jack  
Watson, also attached.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
LANDON BUTLER *L*

SUBJECT: Meeting with Secretary Marshall  
(4:00 p.m., Thursday, February 24)

As we understand it, Secretary Marshall wants to discuss with you the Administration's position on common site picketing in view of his scheduled testimony next week before the House Subcommittee on Labor. We note that in response to Stu's memorandum of February 21, you indicated agreement with Landon's suggestion that we deal with organized labor's legislative concerns as a package.

In addition to common site picketing, Labor's legislative agenda includes substantial revisions in the National Labor Relations Act, increases in the minimum wage, strip mine legislation, requirements that imported oil be shipped in U.S. vessels, public employment collective bargaining, revisions of the Hatch Act, and other items.

We continue to believe that the Administration should develop a coordinated strategy with respect to the labor agenda, rather than make a series of individual decisions. We would recommend the following approach:

- (1) postpone Secretary Marshall's scheduled testimony;
- (2) form a working group composed of Secretary Marshall, the Vice President, Stuart and Landon to consult with others as appropriate and make an overall recommendation to you on labor legislative concerns by next Friday, March 4;
- (3) schedule a meeting for you with George Meany and Lane Kirkland early the following week;
- (4) schedule Secretary Marshall's testimony following this meeting.

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Additional Issues

Secretary Marshall may raise with you a question regarding the specifics of the public service employment legislation to implement the fiscal stimulus package.

The Labor Department proposes to substantially increase the amount of federal control over local expenditures of public service employment funds. Both OMB and Domestic Policy Staff believe that this approach would be criticized by local government and by Congressional friends of the public service employment program as overly bureaucratic, causing a multiplication of paper work, and needlessly limiting local initiative. Efforts to work out solutions are under way at the staff level.

If the Secretary should raise this issue, we recommend that you suggest that he and Bert Lance try to submit a joint recommendation.



THE WHITE HOUSE  
WASHINGTON

February 23, 1977

MEMORANDUM TO: THE PRESIDENT  
FROM: JACK WATSON *Jack*  
RE: RAY MARSHALL'S MEMORANDUM AND  
ADDITIONAL VIEWS ON COMMON  
SITUS PICKETING

I attach Ray Marshall's memorandum on the common situs picketing issue. It lays out the history (pages 1-4); the implications for the construction industry (pages 4-5); the Congressional picture (page 6); and three options for you (pages 7-8). At present, Ray is planning to testify in the House on March 2 on this subject.

In circulating Ray's memorandum, I received the following comments (which I am summarizing);

Blumenthal -- "... Administration's support should be given to legislation which incorporates both common situs and collective bargaining reform -- option #2 as outlined in Secretary Marshall's memorandum."

Kreps -- "Believes memorandum is very balanced but thinks pros and cons should be flushed out more."

Schultze -- Option #2 is most desirable, but needs certain changes. These include exemption for residential construction, prior notice, time limit on picketing, etc. Resubmitting the bill Ford vetoed may be the best strategy.

Since Ray wrote the memorandum, you reacted on February 21 to Stu that we should "stay loose until the issue is clarified in Congress." In Stu's subsequent memorandum (which I attach), he urges that Marshall's March 2 testimony be postponed

until a high-level working group can make an over-all recommendation to you on labor related legislative concerns.

I concur with Stu's recommendation and suggest that this strategy be discussed in your meeting with Ray tomorrow at 4:00 p.m. I also suggest that the Vice President, Stu Eizenstat, Landon Butler and I attend your meeting with Ray.

Attachments

MARSHALL MEMORANDUM

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

FEB 14 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: RAY MARSHALL *Ray Marshall*  
SECRETARY OF LABOR

SUBJECT: Equal Treatment of Craft and Industrial Workers --  
"Common Situs"

This memorandum will provide a basic discussion of the common situs picketing issue and will outline options for the President to consider.

The Issue

In 1947, the Congress added "secondary boycott" provisions to the labor relations laws. The common situs picketing issue arises because of the way in which the courts have applied these provisions to the construction industry.

Under the labor laws, if the employees of employer A are engaged in a lawful dispute with their employer, they may picket employer A and effectively shut down a project. It is an unlawful secondary boycott, however, for these employees to picket a neutral employer B, who has business relations with A, in an effort to persuade B's employees to cease working.

In the typical industrial situation, many crafts or occupations are employed by the same industrial employer. Thus, if the maintenance workers at a plant have a dispute with the employer, they may picket the entire plant for the purpose of inducing the production workers not to cross the picket lines.

At a construction site, on the other hand, it is typical for the work of specialized crafts to be performed by separate subcontractors, working under an arrangement with the general contractor. If one of the subcontractors has a dispute with its employees, and if a separate gate is established for employees of that subcontractor, the NLRB and the courts have long held that picketing must be confined to that gate. Picketing of other entrances to the construction site is deemed an unlawful secondary boycott because it is directed at different employers. The effect of this limitation is to prohibit unions from bringing to bear upon construction employers the full economic pressures which are available to nonconstruction unions.

Common situs picketing legislation is intended to permit picketing of the entire construction site. Proponents state that the various general contractors and subcontractors on a construction project are ordinarily engaged in a closely integrated business relationship. They therefore should not be regarded as the "innocent bystanders" which the secondary boycott provisions were intended to protect. Proponents further urge that the present rules result in discriminatory treatment of construction workers, simply because the construction industry, unlike other private industry sectors, operates typically through separate specialized subcontractors.

Opponents argue, in varying ways, that situs picketing legislation would increase the coercive power of unions. They further argue that general and subcontractors are independent business operations with little control over the labor policies of each other.

### History

Since 1949, situs picketing legislation has had strong bipartisan support. Situs picketing legislation was first proposed by the Truman Administration in that year. It was subsequently supported by the Eisenhower, Kennedy, and Johnson Administrations.

In 1969, Secretary Shultz stated his support for common situs legislation in testimony before the House Special Subcommittee on Labor. He stated several "guiding

principles" which should be incorporated in any such legislation. Secretary Shultz asserted that (1) No bill should transform presently illegal activity, apart from situs picketing into legal activity, (2) No bill should apply to general contractors or subcontractors operating under state laws requiring direct and separate contracts on State and municipal jobs; (3) The interests of industrial and independent unions must be protected; (4) The bill should include language amending Taft-Hartley to permit enforceability of no-strike clauses in contracts by injunction; and (5) The bill should encourage private settlement of disputes which could lead to the total shutting down of a construction project. To this end, he suggested notice of intent to picket and a time limitation on situs picketing.

In 1975, Secretary Dunlop testified in favor of situs picketing legislation. He reiterated his support for the Shultz principles and expanded upon them. He suggested that notice of picketing be given to national labor and management organizations and that expanded picketing rights be given only if the national unions give advance authorization. National unions would be immunized from any liability growing out of any such authorization. He also proposed a 30 day limit on common situs picketing, which was not adopted.

Secretary Dunlop in his testimony also focused on the basic labor relations problems in the construction industry. In his view, the problems were caused by the fragmented and localized character of construction collective bargaining. He indicated his intention to propose legislation giving national unions and employer associations greater influence over local disputes in order to rationalize unstable characteristics of the industry.

The Ford Administration subsequently sent to the Congress separate legislation designed to achieve these collective bargaining objectives. The legislation included provisions establishing a tripartite Committee including representatives of national labor and employer associations, requiring

that advance notice of disputes to the Committee, allowing the Committee to impose a cooling-off period of up to 30 days, allowing the Committee in effect to require that changes to existing local agreements be approved by the international unions, and immunizing the national labor organization from liability which might result from its actions under the legislation.

The legislation was attached to the situs picketing provisions and was passed by the Congress.

Over the years, a variety of other provisions have been added to situs picketing bills in order to satisfy particular Congressional or public concerns. Many of these were included in the bill which was passed. They include provisions prohibiting picketing to compel discrimination, requiring special procedures to deal with picketing for union recognition, exempting nonconstruction employers at the job site, and creating a special exemption for most residential construction.

Although President Ford vetoed the Bill, he indicated that the basic substantive conditions laid down by Secretaries Shultz and Dunlop had been met. His veto was based upon the fact that strong employer opposition to the situs picketing provisions had made any consensus on the legislation impossible.

The Democratic platform for the 1976 Presidential election supported common situs picketing legislation. The President is believed to have indicated, prior to his election, that he probably would have signed the situs picketing bill passed by the Congress, had it been presented to him at the time.

#### Implications of the Legislation for the Construction Industry

Common Situs. Common situs picketing has aroused intense emotions on all sides and has taken on a symbolic significance which far exceeds its likely impact on the construction industry. It is seen by construction unions as a fundamental right which has long been unfairly denied. Opposition is seen to be motivated by anti-union animus, and the veto resulted in strong opposition to the Ford Administration. Many employers see the proposals as special interest legislation designed to enhance the

already excessive power of the construction unions. The existence of the issue has itself added an important element of instability to the industry and has made voluntary cooperation between labor and management considerably more difficult.

It should be emphasized that situs legislation would:

- Not extend beyond the actual construction site
- Have no effect outside the construction industry
- Not legalize any other activity which is presently unlawful.

The actual impact of common situs picketing will depend on the region of the country and the degree of union organization at the job site. Situs picketing will have little practical impact where construction work at a site is being performed predominately or exclusively by nonunion employees. Nonunion workers would probably bypass the pickets. Maximum impact would occur where substantial numbers of union workers were employed on the job. Thus, the effect of situs picketing is likely to be concentrated in those geographical areas where the organized construction sector is strongest.

The Collective Bargaining Proposal of 1975. The Dunlop proposal was intended to deal with the harmful effects of excessively high local wage settlements. These local agreements often establish a pattern for other agreements. Through the device of the tripartite committee it was hoped that wider national concerns for the health of the construction industry would be brought to bear on local bargaining. Specifically, the Committee could impose a cooling off period of up to 30 days and require national union approval of collective bargaining agreements.

While many national unions already have authority to approve strikes or collective bargaining agreements, it is highly unusual for a national union to disapprove a local settlement. On the other hand some international unions have no such authority. Where the authority exists, the principal argument for legislation granting approval authority to national unions is that it may make exercise of the authority more palatable.

With or without the Dunlop proposal, improvements in the structure of bargaining in the construction industry will depend on the voluntary cooperation of the parties. The continued existence of "common situs" as a public issue has made this cooperation considerably more difficult.

#### Current Status/Positions

Democratic Platform: As adopted in July 1976, the platform provides, "We will support the full right of construction workers to picket a job site peacefully".

#### Congress:

Congressman Frank Thompson is expected to introduce a common situs bill (without the collective bargaining component) soon after February 16. He plans hearings for February 28 and March 1 and 2, with the Secretary scheduled to testify March 2. House floor action is planned for March 8. Congressman Thompson believes he has the votes for passage.

After February 21, it is probable that Senators Williams and Javits will introduce an identical version of the Bill to be considered by the House. Senator Javits may also decide to introduce the collective bargaining component as a separate bill with a view toward consolidation of the bills in committee or on the floor. Both Senators are more concerned about the need for a collective bargaining component than is Congressman Thompson. Once the legislation is introduced, it will be three to four weeks before the matter is ready for floor consideration. A filibuster is likely.

#### Options for the President

These options are preliminary to the substantive and technical issues that involve the actual "operations" of common situs and collective bargaining legislation. Three basic nontechnical options have been developed.

1. Support "Equal Treatment of Craft and Industrial Workers" (herein referred to as "Common situs") on its own merit and independent of any construction bargaining reform initiative.
2. Support common situs and work actively to secure passage of construction bargaining legislation as a package.

3. Not support either common situs or construction collective bargaining reform.

A discussion of the pros and cons of each option follows.

Option #1: Support common situs on its own merit and independent of any construction bargaining reform initiative.

Pros: A. The AFL-CIO strongly supports it, and they feel building trades workers have been discriminated against in their rights to picket common sites.

B. Labor and management have been feuding for over 25 years and Presidential support and passage could work toward more productive efforts in the building industry.

C. Many construction sites are mixed with union and nonunion workers. Common situs legislation will result in more job sites becoming exclusively union or nonunion, decreasing counter productive tensions that otherwise occur on mixed projects.

Cons: A. Many employer groups intensely oppose common situs, because they believe it will increase construction union power and wages.

B. Common situs may initially increase work stoppages as unions attempt to organize at mixed job sites.

Option #2: Support common situs and work actively to secure passage of construction bargaining legislation as a package.

Pros: A. The bargaining component has a potential for providing needed bargaining reform, if there is voluntary acceptance by labor and management.

B. The situs and bargaining package are viewed as a balanced approach and may enhance passage of the legislation.

Cons: A. The package approach could lead to some criticism that national control of the collective bargaining process unfairly interferes with local bargaining.

Option #3: Not support either common situs or construction collective bargaining reform.

Essentially the pros of this option are the cons of Option #1, however, there will be Congressional action on this legislation with or without Administration support.

Failure of the Administration to take a position will result in serious criticism from labor, management and the Congress.

Enclosures - Background Materials

cc: Vice President Mondale

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Zbigniew Brzezinski

The attached is forwarded to you  
for your information.

Rick Hutcheson

Re: Letter from Paul Warnke  
2/19/77

CC  
BRZ

THE PRESIDENT HAS SEEN.

*Clifford, Warnke, Glass, McIlwain & Finney*  
*Attorneys and Counsellors at Law*  
*815 Connecticut Avenue*  
*Washington, D. C. 20006*

CLARK M. CLIFFORD  
PAUL C. WARNKE  
CARSON M. GLASS  
SAMUEL D. McILWAIN  
THOMAS D. FINNEY, JR.  
LARRY L. WILLIAMS  
JOHN F. KOVIN  
DAVID I. GRANGER  
THOMAS RICHARD SPRADLIN  
JAMES T. STOVALL, III  
ROBERT A. ALTMAN  
HAROLD D. MURRY, JR.  
TERENCE J. FORTUNE  
BARRY J. ISRAEL

TELEPHONE  
(202) 298-8686

CABLE ADDRESS  
CLINEY

OF COUNSEL  
GERALD W. SIEGEL

Dear Mr. President,

2/19

Thank you for letting me see the memorandum. As you said, it is carefully prepared, persuasive and literate.

In major part, it is a brief for unrestrained development of cruise missiles. Also, while noting perceptively the growing impact of SALT decisions on NATO issues, it does not deal with the possibility of arms control agreements on theatre conventional and nuclear weapons. (SALT + MBFR moving in parallel).

I hope to have an opportunity to review it more carefully later on & to comment on it in detail.

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*Reed*

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Hamilton Jordan -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Tim Kraft

Re: Marion Edey for CEQ

THE WHITE HOUSE  
WASHINGTON

to Hamilton

cc T Knap/2

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 22, 1977

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN

Barbara Heller does not want to interview with you for CEQ. She has been offered the position as Deputy Under-Secretary for the Department of the Interior which puts her in her own words "more in the middle of things".

Do you want to proceed to interview Marion Edey or do you want me to pursue other female candidates?

☒ Interview Marion Edey

☐ Pursue other female candidates ☒

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THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Bob Lipshutz -

The attached was returned in the President's outbox. It is forwarded to you for handling with Ham Jordan and Stu Eizenstat. We have not sent out any other copies.

Rick Hutcheson

Re: CAB

THE PRESIDENT HAS SEEN.

DELTA AIR LINES, INC.  
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT  
ATLANTA, GEORGIA 30320

W. T. BEEBE  
CHAIRMAN OF THE BOARD AND  
CHIEF EXECUTIVE OFFICER

February 8, 1977

Mr. Charles H. Kirbo  
Spalding and King, Attorneys  
Trust Company Tower  
Atlanta, Georgia 30303

Dear Charlie:

The industry is running into problems with the Civil Aeronautics Board for the following reasons:

1. Route cases presently being processed such as the most important route case in recent years, the Denver - Southeast Case, will be processed by the Board, three members of which may very well be off the Board by the time the case is heard or reheard. I think it is terribly important that this very important case and others of lesser importance be either slowed down, which I hate to see happen, or the Board be reconstituted immediately.
2. The following is a quote from Bill Henzey's AIRLINE REPORTS, issued dated February 7:

POLICY CLASH -- Although Democrats now rule in the White House and top cabinet posts, the temporary continuation of Republican rule in agencies such as CAB is causing problems. Particularly is this so in the highly controversial bilateral area where, with another round of talks with the U.S. coming up, a solid U.S. front is necessary.

To clarify my statement that possibly three members would no longer be on the Board in a couple of months, the vulnerable ones are, of course, Robson who has resigned as of April 30th (that resignation should be moved to an immediate effective date); Tenny Johnson, whose term has already expired is serving until he is either re-appointed or someone is appointed in his place and Minetti has or will reach age 70, a mandatory retirement age unless specifically extended.

As you know, I have already reported to you that the industry is strongly supporting a reappointment of Tenny Johnson, a Republican

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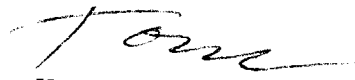
cc: Ham  
Tobato  
Washington  
D.C.  
C

Mr. Charles H. Kirbo  
February 8, 1977  
Page 2.

member, because of his outstanding qualifications and knowledge of the industry. You already know how I feel about Robson and I think that Minetti needs to be replaced by a much younger, more adaptable but qualified person. I have already sent you some names of possible people to consider for Board membership. The purpose of this letter is to plead the urgency of re-constituting the Board.

Many thanks. With best wishes,

Cordially,

A handwritten signature in cursive script, appearing to read "Tom", written in dark ink.

W. T. Beebe

THE PRESIDENT HAS ORDER.

DELTA AIR LINES, INC.

HARTSFIELD ATLANTA INTERNATIONAL AIRPORT

ATLANTA, GEORGIA 30320

W. T. BEEBE  
CHAIRMAN OF THE BOARD AND  
CHIEF EXECUTIVE OFFICER

February 8, 1977

Mr. Charles H. Kirbo  
Spalding and King, Attorneys  
Trust Company Tower  
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cc: Ham  
Tobin  
Lundberg  
Stu  
J.C.

C

Mr. Charles H. Kirbo  
February 8, 1977  
Page 2.


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Many thanks. With best wishes,

Cordially,



W. T. Beebe



THE WHITE HOUSE

WASHINGTON

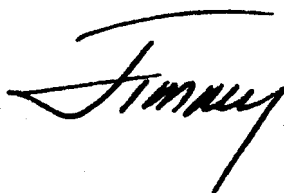
February 23, 1977

To Sargent Shriver

It was good of you to make available to Rosalynn and me an opportunity to share one of Hans Kung's lectures being delivered at Georgetown University this week. Regrettably, commitments previously made will preclude our being free to do so.

Please remember us to Eunice and know of our gratitude for your thoughtfulness.

Sincerely,



Mr. R. Sargent Shriver, Jr.  
Timberlawn  
Rockville, Maryland

*ps He may come by to  
see me. J*

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Stu Eizenstat -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Lake Alma Project

THE WHITE HOUSE  
WASHINGTON

cc

Stu for Action

THE PRESIDENT HAS SEEN.

JAMES A. BISHOP  
FIRST FEDERAL PLAZA  
BRUNSWICK, GEORGIA 31520  
February 18, 1977

5th-  
status?  
J

Honorable Jimmy Carter-Dasher  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20013

Dear Mr. President:

If something relating to the Lake Alma  
project comes to you from the Council On  
Environmental Quality, Henry would be pleased  
to discuss it with you objectively.

With kindest and best personal regards,  
I am

Sincerely,



Jimmy Bishop

JAB/ea

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Hamilton Jordan

Re: An overview and Six Recomm.  
Report on Community Services

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

REPORT FOR THE PRESIDENT

ON THE COMMUNITY SERVICES ADMINISTRATION

AN OVERVIEW  
AND  
SIX RECOMMENDATIONS

The Community Services Administration (CSA) was established in 1975 as the successor agency to the Office of Economic Opportunity (OEO). Unlike the OEO which was created with great enthusiasm, idealism and substantial financial support, the CSA came into this world almost a forgotten child.

The paralysis that took hold of OEO during the Nixon years greatly weakened the ability of its successor to survive. Yet, somehow this agency has survived and in the process has become a symbol of enormous significance to those in need. In effect, the agency has become the moral measure of the President's commitment to the 25 million poor people of America.

It is because of this that your response to this agency will be watched intensely and whatever action you take will assume an importance far beyond what would normally flow from a Presidential act.

The fiercely loyal supporters of this agency who have fought off numerous attempts over the years to dismantle OEO/CSA nevertheless present us with a conundrum.

As the attached report makes clear in great detail, there is institutionalized resistance to change, good or bad. Accountability is almost nil, morale is very low and the national staff is, in large measure, politicized and incompetent. In addition, CSA is bogged down with a bewildering set of regulations weighing nine pounds and cash flow/program grant procedures that are counterproductive.

Yet all the foregoing to the contrary notwithstanding, CSA still has in my opinion, great potential for good. Enough so, I believe, to warrant a chance to prove itself as an able advocate for the poor of this nation.

There is a role, I believe, for an independent, flexible, creative, advocate for the poor. OEO/CSA after all has had spectacular success with some of the programs it conceived,

*Sta -  
Brief  
Comments.  
?'s  
J*

(e.g., Headstart). I believe it is capable of more creativity in the future. In addition, through its local community action agencies, CSA has an impressive ability to penetrate the poverty community.

Furthermore, I am not sure that this agency which deals exclusively with the poor can perform its role adequately if it is absorbed by HEW for example. I also realize that a major reorganization of the government is ahead and CSA will, like all other agencies, have to be factored in somehow. But even with a reorganization government it does not necessarily follow that CSA would have to disappear as a unitary entity altogether. The attached report takes up these issues and makes recommendations summarized below.

#### RECOMMENDATIONS

##### Approval

Yes \_\_\_ No \_\_\_

- (1) You should request a limited extension maintaining the agency's independent status but retain the option to transfer the agency into a new department in connection with a major government reorganization. (page 9 )

Yes \_\_\_ No \_\_\_

- (2) You should appoint a director of independent stature and proven management ability to assume the leadership of the agency. (page 10)

Yes \_\_\_ No \_\_\_

- (3) You should augment the 1978 Budget request as recommended on page 13 of this report.

Yes \_\_\_ No \_\_\_

- (4) You should request the legislative changes relating to Federal/non-Federal sharing ratios and grant procedures set forth on page 15 of this report.

Yes \_\_\_ No \_\_\_

- (5) You should direct that CSA go forward with the initial stages of the agency's plan of reorganization as set forth on page 18 of this report.

Yes \_\_\_ No \_\_\_

- (6) You should direct that CSA:

Yes \_\_\_ No \_\_\_

(a) Implement zero-base budgeting.

Yes \_\_\_ No \_\_\_

(b) Rewrite and simplify its regulations.

Yes \_\_\_ No \_\_\_

(c) Include a representative of CSA on the Task Force on Welfare Reform.

Yes \_\_\_ No \_\_\_

(d) Designate the Director of CSA a member of the Domestic Council

Yes \_\_\_ No \_\_\_

(e) Reconstitute the National Advisory Council of CSA as outlined on page 18 of this report.

  
Joseph W. Aragon

REPORT FOR THE PRESIDENT

AN ASSESSMENT OF THE COMMUNITY SERVICES ADMINISTRATION

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## INTRODUCTION

This report reviews the current status of the Community Services Administration (CSA), discusses options requiring immediate consideration, and makes recommendations with respect to those options. The report is based on interviews with CSA staff members, representatives of community anti-poverty organizations, Congressional aides, and other interested parties. (See Attachment I). It also draws upon a variety of written reports and evaluations of CSA programs. (See Attachment II).

### I. HISTORICAL PERSPECTIVE

The Economic Opportunity Act of 1964, the keystone of President Johnson's War on Poverty, created the Office of Economic Opportunity (OEO) within the Executive Office of the President. The 1964 Act represented a departure from previous Federal anti-poverty efforts, in that it stressed the creation of community-based organizations to coordinate government and private efforts to alleviate poverty. Among the successful programs initiated by the OEO during the Johnson Administration were Headstart, VISTA, the Job Corps, Foster Grandparents, and the Legal Services Program.

With President Nixon's election, major OEO programs were transferred to other departments and agencies, and OEO's budget and staffing were sharply reduced. In January 1973, the President appointed an Acting Director with an avowed mandate to dismantle OEO. The Acting Director quickly politicized the top management of the Office by obtaining special authority from the Civil Service Commission to hire "consultants" and additional Schedule "C" appointees. For more than a year, until the Acting Director's appointment was held to be illegal by the courts, staff vacancies were not filled, program decisions were not made, and field operations were virtually halted. The agency's legislative authorization expired on June 30, 1974, and for a number of months, OEO programs were extended quarterly by continuing resolutions, making any long-range planning impossible.

In 1975, Congress passed the Community Services Act to extend programs commenced under the 1964 legislation and to reorganize the

Federal administration of anti-poverty programs. The 1975 Act established CSA as an independent executive agency, and transferred most of the existing OEO programs to CSA. Jurisdiction over four programs, including Comprehensive Health Services and Headstart, was transferred to the Department of Health, Education, and Welfare (HEW). This Act introduced an element of stability into anti-poverty planning for the first time in five years.

CSA's budget for fiscal year 1977 is \$512 million. (In 1969, at its high point, OEO's budget was \$1.9 billion). In his proposed budget for fiscal year 1978, President Ford requested \$398 million for CSA, a 22 percent reduction below current funding levels. For four years, the agency has operated under an OMB-imposed hiring freeze; current employment is 1,005. The freeze was relaxed on October 1, 1976, and OMB approved a modest agency reorganization plan which the agency is currently preparing to implement.

## II. LEGISLATIVE MANDATE

The current legislation provides for continued establishment and funding of Community Action Programs (CAPs). These programs are intended to allow representatives of poor communities to participate in the development of systems which provide services to the poor. The Act also provides for special emphasis programs intended to meet the critical needs of the poor. Among these are the Community Food and Nutrition Program, the Senior Opportunities and Services Program, the Emergency Energy Conservation Services Program, and the Summer Youth Recreation Program. Title VII of the Act authorizes CSA to fund the establishment of private, locally directed Community Development Corporations (CDCs), which allow residents of low-income areas to launch a variety of business ventures, and so to improve their social and economic participation in their communities.

In addition, Title I authorizes research and demonstration programs, Title III provides for aid to low-income rural families and migrant workers, and Title IX mandates CSA to measure and evaluate all programs authorized by CSA, as well as other Federal poverty-related programs.

## III. CURRENT ASSESSMENT

This agency, during the late 1960's was a prime innovator of service delivery programs for the poor. Its legacy still remains in the form of such successful programs as Headstart, the Legal Services Corporation, and VISTA. Today, while this agency has fallen into disrepute, it still possesses the potential for developing creative programs and improving the delivery of services to the poor. The following assessment will focus on some of the major problems now confronting the agency.

A. MISSION OF THE AGENCY: The agency has not been able to adequately fulfill its mission due in large part to the three problem areas discussed below.

1) CSA's broad legislative mandate has overstated its potential capabilities and so has fostered unrealistic expectations. The statutory purpose of the Economic Opportunity Act is "to eliminate the paradox of poverty in the midst of plenty in this Nation", and the OEO/CSA has historically been perceived as the principal agency in the Federal government that is concerned with the problems of the poor. The agency's broad mandate has created unrealistic expectations and so magnified the agency's shortcomings.

(a) If CSA's achievements are measured against the ultimate goal of "eliminating poverty", the agency is destined to be seen as inadequate to meet its mission.

(b) Judging the agency's effectiveness in relation to its goal of eliminating poverty, the continuous increase in the number of individuals below the poverty line in recent years has caused a loss of respect for the agency by the Congress, other agencies, and the general public.

(c) The funds and staff assigned to the agency are inadequate in light of its stated mission and this has caused frustration and disappointment among the agency personnel and constituent groups.

2) Uncertainty over CSA's future status has affected its growth, morale, and vitality. During the Johnson years, OEO was able to attract talented staff and carry out an ambitious program because of the support it received from the President and Congress. However, threats to CSA's continued existence as an independent agency during the Nixon Administration have demoralized employees and affected relations with the Executive Branch and Congress.

(a) The agency has had four Directors in the last four years, but not since its early days has there been a Director perceived by the poor as an articulate and committed spokesman for their cause. This lack of steady and dedicated leadership has magnified the uncertainty over the agency's status.

(b) Executive and legislative support diminished substantially during the Nixon-Ford years. OMB imposed a hiring ceiling on the agency; successful OEO programs were transferred to other agencies and departments; the agency's budget was steadily decreased; and Congress, in section 601(e) of the Community Services Act, gave the President authority to transfer CSA programs to HEW and the Commerce Department.

(c) Uncertainty over the agency's future has prevented the recruitment of high caliber administrative personnel.

(d) The agency has not exhibited a willingness to experiment with new programs or concepts even within its limited budget.

(e) The loss of self-esteem within the agency has been translated into a loss of respect for the agency within the Executive Branch, in Congress, and among the poor.

3) As currently constituted, CSA cannot act as a strong advocate for the poor, a role specifically assigned to it by the Congress and well-publicized among the poor.

(a) Only 20 to 25 percent of Federal anti-poverty funds are now administered by CSA. The Director of CSA must compete with a dozen other government officials for the President's attention on matters affecting the nation's poor.

(b) The diffusion of Federal anti-poverty programs through the transfer of OEO and CSA programs to other departments and agencies has created confusion and frustrated the poor.

(c) The lack of a strong Legislative Department within the agency has prevented CSA from acting as an effective advocate in legislation affecting the poor.

(d) The lack of an adequate Policy, Planning, and Evaluation Department has diminished the agency's ability to develop persuasive positions in support of desired programs.

B. ORGANIZATION AND ADMINISTRATION OF THE AGENCY: This section highlights some of the problems apparent today within the agency structure. Sections 1 through 5 focus on the national level while Sections 6 and 7 concern the local components of the agency's problems.

1) Past personnel policies have created inadequate staffing patterns, recruiting problems, inequitable workloads, and a loss of staff initiative.

(a) The agency's uncertain future has caused it to lose talented personnel and has made it difficult to attract qualified replacements.

(b) As part of the Nixon Administration's attempts to dismantle OEO in 1973, staff vacancies were not filled, and temporary positions were created and staffed by political appointees. Such vacancies forced some administrative personnel to perform clerical functions.

(c) The existing allocation of personnel at CSA reflects five years of poor staff planning with the result that the agency lacks sufficient staff

- (d) Attempts to remove incompetent staff and to reassign others are complicated by Civil Service regulations and requirements.
- (e) Relations between the agency management and the employee union are poor, and attempts to shift personnel have been met with suspicion and hostility.

2) CSA lacks a meaningful capacity to evaluate the impact of Federal programs on the poor. Under Title IX of the Community Services Act, CSA is authorized to evaluate all governmental anti-poverty programs, including those administered by other agencies and departments.

- (a) No funds have been appropriated for three years to support CSA's evaluation efforts.
- (b) CSA is therefore unable to determine the cost effectiveness or social impact of any of the programs it runs, or to measure the success of demonstration programs, CAPs, or CDCs, except in the most superficial way.
- (c) CSA has also been unable to evaluate the anti-poverty programs of other agencies, and so has been unable to fulfill its functions as an advocate for the poor with respect to those programs.

3) CSA does not have any meaningful research or demonstration capacity. Under Title I of the Act, the Director of CSA may fund research and demonstration projects to develop new approaches to poverty problems.

- (a) In fiscal year 1977, none of the \$5 million budgeted for research and demonstration will be expended for research/innovative programs. Instead, by agreement with Congress, the funds were earmarked for rural housing assistance. Research and innovation has come to a virtual halt within the agency.
- (b) In the past, some of the most successful OEO and CSA categorical aid programs were developed from pilot programs initially supported by research and demonstration funds. The disappearance of such funds will diminish the agency's long-term capacity to develop alternative approaches to the continuing problems of poverty.

4) CSA is in the initial stage of implementing an inadequate reorganization plan. In October 1976, OMB approved an internal reorganization plan that raises the agency's personnel ceiling to 1,067 from the old ceiling of 1,006, adds an Office of Policy, Planning, and Evaluation, increases regional office staff levels, reorganizes and upgrades the Office of Audit and Inspection, and makes technical corrections in agency job descriptions.

(a) Although beneficial in some respects, the reorganization plan was not designed to serve the particular functions and programs of this agency, and so fails to solve many important problems. For example, in funding and staffing the Legislative Department, the reorganization plan overlooks the special advocacy role that CSA is supposed to fulfill.

(b) The reorganization plan focuses on cosmetic changes such as staff levels and reclassification problems, but even these changes have not been justified with reference to the particular programs of the agency.

(c) The reorganization plan does not address the organization of the CAPs and the CDCs and their relationship to the agency's central and regional offices.

5) The proposed budget for Fiscal Year 1978 is inadequate.

(a) The proposed budget provides \$330 million for staffing and administration of CAPs. This figure has remained the same for several years, and its impact in "real dollars" terms has greatly diminished.

(b) The budget provides no funds for three important categorical programs--Emergency Energy Conservation (winterization), National Youth Sports Program, Migrant Assistance--for which \$28.5 million was budgeted in fiscal year 1977.

(c) The budget requests insufficient funds for research and demonstration projects (Title I), Training and Technical Assistance, and evaluation programs (Title IX).

(d) This budget request is the smallest for any year in OEO/CSA's existence, except for fiscal year 1974 when the Nixon Administration attempted to dismantle the agency.

6) Although some CAPs have been dramatically successful, the majority of the Community Action Programs do not appear to provide adequate services to the poor in their areas.

(a) CSA does not provide effective guidelines for the allocation of funds or for the achievement of fiscal accountability.

(b) Until 1975, the Federal government paid 80 percent of the operating expenses of each CAP. The Community Services Act of 1975 lowered the Federal share to 60 percent, beginning in fiscal year 1977. This reduction in Federal support threatens the financial viability of many CAPs,

with little regard for their ability to generate other revenue sources.

(c) Expenditures for training of and technical assistance to CAP leaders have been decreased.

(d) CAP employees have received no cost-of-living salary increase in seven years, thereby precipitating a "brain" and "talent" drain that has significantly reduced the vitality and competence of CAP personnel.

7) The Community Development Corporation (CDC) program suffers from unrealistic objectives and CSA's inability to provide adequate technical assistance and management controls. The CDC concept has potential for helping economically disadvantaged communities. If measured against standard indicators of business success, most of the 40 CDCs established in the last two years are commercial failures.

(a) CSA has never clarified the purpose of the CDC program. Some within the agency view it as a categorical aid program; others believe it is merely a program of temporary subsidies to minority business enterprises. Confusion over the program's goals has contributed to mismanagement.

(b) CSA has not provided adequate technical assistance.

(c) CSA has never instituted proper management controls or adequate evaluation standards by which to measure the performance or impact of CDCs.

#### IV. DECISIONS REQUIRING IMMEDIATE CONSIDERATION AND ACTION

The current assessment of CSA makes it clear that it is an agency in need of substantial change. This section discusses several key decisions that must be made before the agency can again begin to function effectively. Those concerned with the anti-poverty effort will look to these decisions to judge the commitment of this administration in this vital area.

##### DECISION ONE

AGENCY STATUS: The most "emotionally-charged" decision that must be made about this agency is whether or not to retain its independent status. The decision on the future status of CSA will undoubtedly be interpreted as a signal of the President's commitment to the poor. Although the legislative authority for the CSA does not expire until September 30, 1978, according to present OMB policy, the request for an extension should be made by June 30, 1977. The agency's November 1976 request for a two-year extension was not included in the Ford Administration's legislative package.

A. OPTIONS REGARDING DECISION ONE

1) RETAIN CSA AS AN INDEPENDENT AGENCY

(a) This will signify to the agency's constituency a strong presidential commitment to the agency's mission.

(b) Numerous constituent groups, interested parties, and Congressional aides have indicated that there is very strong political and public support for maintaining the agency's independent status.

(c) As an independent agency, CSA provides the poor with a visible, readily identifiable institution that is responsive to their problems.

(d) A smaller independent agency focused entirely on aiding the poor can respond with greater speed and flexibility in dealing with the problems associated with poverty.

(e) An independent agency is better adapted to perform the role of an advocate for the poor within the government.

2) TRANSFER FUNCTIONS OF CSA TO EXISTING DEPARTMENTS

(a) A transfer would eliminate some duplicative management and staff positions.

(b) Transfer of these programs to existing agencies would facilitate the use of existing technical expertise, and research and evaluative skills.

(c) HOWEVER, such action would immediately trigger highly vocal resistance from many members of Congress, CSA employees, and other interested groups.

(d) Existing departments have not indicated a strong desire to absorb CSA's programs.

(e) The transfer of CSA's functions would be accompanied by the transfer of most of its existing personnel, so that there would be no opportunity to weed out inadequate staff.

(f) The visibility and cohesion that the agency can provide for the Federal government's poverty programs would be lost.

(g) The problems of the poor would be only one issue in a large department and so naturally would receive less emphasis.

3) REQUEST A LIMITED EXTENSION MAINTAINING THE AGENCY'S INDEPENDENT STATUS, BUT RETAIN THE OPTION TO TRANSFER THE AGENCY INTO A NEW DEPARTMENT IN CONNECTION WITH A MAJOR GOVERNMENT REORGANIZATION.

(a) Such a decision would avoid an immediate confrontation with the agency staff CAP directors, key members of Congress, and other interested groups.

(b) This decision would immediately signify a commitment to the poor without singling out this agency for exclusion from overall government reorganization.

(c) The extension would allow a new Director to evaluate the potential of the agency's program within an administration that is favorably disposed towards its mission.

(d) During the extension, a comprehensive assessment could be made of the proper role of the CSA in the Federal anti-poverty program. Then a more intelligent decision could be made as to whether the CSA should: (1), emphasize research and demonstration programs and then transfer successful programs to other departments; or (2), continue to fund and operate large-scale categorical aid programs.

(e) HOWEVER, such a limited extension might not provide strong enough reassurance to the agency and its constituent groups. Such continued uncertainty could diminish the agency's effectiveness.

(f) The limited extension could cause the agency's constituent groups to continue to focus their attention on legislative efforts to extend the agency beyond the limited extension.

B. RECOMMENDATION: The Administration's legislative package should request a three-year extension of the agency's authorization and the elimination of Section 601(e) (reorganization clause) of the Community Services Act.

The survival of this agency has become a major symbolic issue to the poor and to many members of Congress and interest groups sympathetic to their plight. An immediate proposal to eliminate the agency would cause major adverse political repercussions, and would be viewed by many as a signal that the President had abandoned his commitment to the poor. Thus, it is important in announcing the request for a legislative extension to note that the extension will continue the agency's authorization through the President's first term. Further, that announcement should include a clear and unequivocal statement from the President of the need for an independent agency in government which acts as an advocate for the poor.

Such limited extension would allow a new Director and those preparing the government reorganization plan to evaluate more closely the advantages and disadvantages of the agency's current status. Moreover,

the only politically feasible opportunity in which to transfer this agency's programs into a broader structure acting as an advocate for the poor would be within the context of a major reorganization plan.

APPROVE ✓

DISAPPROVE \_\_\_\_\_

*Stu assess*

DECISION TWO

SELECTION OF NEW DIRECTOR: Aside from the decision on the independence of the agency, the selection of a new Director is the most important judgment that must be made. The outcome of these two decisions will be viewed as the key indicators of this administration's attitude towards the anti-poverty programs. In addition, most major decisions on the agency's programs and operations have been delayed until a new Director is confirmed; although the Acting Director can handle the routine operation of the agency for a short time, considerations of agency morale and effectiveness demand the early selection of a new Director.

A. OPTIONS REGARDING DECISION TWO

Attachment III contains a list of the individuals who should be considered for the position of Director and an assessment of their qualifications.

B. RECOMMENDATION: The two key considerations in selecting a new Director should be the personal stature and the administrative ability of the individual nominated. The CSA has lost respect both in the government and among its constituency, and the new Director must have sufficient stature to command such respect on the basis of his or her abilities and background. The new Director need not necessarily have a substantial political background or constituency; in fact, at this time, there are strong arguments in favor of a dramatic "depoliticizing" of the agency. But irreproachable professional qualifications and unquestioned stature, perhaps gained from experience in human rights efforts or in social services programs, are essential. The individual selected should also possess sufficient political skills to attract the support of the many diverse and conflicting interest groups that are essential to CSA's success.

I do not believe that it is necessary that the Director be a representative of a minority group. However, if he or she is not, two Deputy Director slots should be created: one for a black and one for a Hispanic. The leadership of the agency should represent a combination of backgrounds in order to retain the goodwill of the agency's constituency. Further, one or more of the agency's leaders must have superior administrative skills and experience. This agency has suffered from poor management and the situation must be corrected.

Finally, it should be emphasized that a rapid decision on the Director is essential. Many constituent groups are now beginning to polarize behind one or two individuals. Any substantial delay in making this selection will increase the possibility of considerable adverse reaction to the selection.

APPROVE  \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

### DECISION THREE

BUDGET: The budget level recommended to the Congress will be a primary indication of the immediate direction of CSA programs. Because of the early timetable set by the Congressional budget legislation, administration decisions on the agency budget desired cannot wait for the appointment of a new Director.

#### A. OPTIONS REGARDING DECISION THREE

1) RETAIN CURRENT BUDGET REQUEST. The current budget request totals \$442.5 million and consists of:

(a) An appropriation of \$330 million for Community Action Agencies. This figure does not allow any cost-of-living raise for employees, any creation of new jobs, or any extension of the geographical coverage of the CAPs.

(b) An appropriation of \$10 million for Senior Opportunities and Services Program (SOS). This figure provides for continuation of current programs.

(c) An appropriation of \$12 million for State Economic Opportunity Offices (SEOO's). This figure will allow maintenance of the current program.

(d) An appropriation of \$27.5 million for the Community Food and Nutrition Program (CFN). This figure will allow maintenance of the current program.

(e) An appropriation of \$1 million for Training and Technical Assistance. This would fund some efforts to provide technical assistance to grantees.

(f) An appropriation of \$30 million for the Community Economic Development program. This figure is based on the belief that the CDC's already funded now have \$23 million cash-on-hand in their bank accounts. When combined with the \$30 million appropriation, this would allow for maintenance of the current program. However, most of the \$23 million is already legally committed and cannot go towards continuation of current programs.

(g) An appropriation of \$31 million for Program Administration. This figure would provide operating funds to implement the present reorganization plan at the 1,067 employees level.

(h) An appropriation of \$1 million for evaluation. This figure would allow the development of some evaluation programs for the first time in recent years.

(i) No appropriation for Emergency Energy Conservation (winterization), Migrant Assistance, National Youth Sports Program (NCAA), Summer Youth and Recreation Program (SYR), or Research and Demonstration Programs requested.

2) SUBMIT SUPPLEMENTAL BUDGET REQUEST. In addition to the existing budget, a supplemental budget request should be considered which would consist of:

(a) An appropriation of \$28 million for an 8 percent cost-of-living increase for CAP employees. This would represent the first national cost-of-living increase in seven years.

(b) An appropriation of \$16 million to create 2000 new jobs. In response to the job creation objective in this year's budget, 2,000 new jobs could be created at the average cost of \$8,000 per job (less than the average permanent job creation cost for the Comprehensive Employment and Training Act). These new employees would increase the service-delivery capacity of existing CAPs.

(c) An appropriation of \$55 million for Emergency Energy and Conservation Services (winterization). This figure would allow a continuation of current winterization and emergency energy programs at CSA which reach many poor people not covered by other programs.

(d) An appropriation of \$6 million for the National Youth Sports Program (NCAA). This program benefits over 300,000 young people each summer. Participants are invited for a 4 to 6 week period to a local college which provides sports instruction, food, and lodging.

(e) An appropriation of \$8 million for Research and Demonstration Programs. If the Congress again requires that \$5 million be used to fund a rural housing program, then \$3 million in additional funds is needed to allow development of experimental approaches.

(f) An additional appropriation of \$1 million for Training and Technical Assistance. The effective use of existing funds necessitates an adequate agency capacity to provide training programs and

technical assistance for grantees and regional employees.

(g) An appropriation of \$10 million for a Migrant Assistance Program. CSA has been able to assist migrants not reached by other agencies by working through CAPs and the existing migrant councils.

(h) An additional appropriation of \$10 million for the Community Economic Development program. This additional sum is required to maintain a minimal but viable economic development program. It will require a phasing-out of CDCs with a history of bad performance. Further, it will provide a small pool of venture capital for which "successful" CDCs can compete.

(i) An additional appropriation of \$2 million for evaluation. The impact of current and future programs will remain unknown unless funds are provided to develop careful methods of evaluation at once.

(j) A request that funds sought for the Community Food and Nutrition Program be transferred to the Department of Agriculture.

B. RECOMMENDATION: The supplemental appropriation request described in OPTION #2 above should be submitted to Congress. If all the recommendations in that supplemental request are accepted, the fiscal year 1978 budget would total \$551 million (See Attachment IV). A \$551 million budget will represent an 8 percent increase over the fiscal year 1977 budget.

The supplemental appropriation requests \$28 million for an 8 percent cost-of-living increase for CAP employees and \$16 million for a limited job creation program. The cost-of-living increase is an important issue to CAP employees. This request, if approved, would be the first national cost-of-living increase in seven years. Further, CAP agencies are in need of additional employees to improve their capacity to deliver services. During the last eight years, there has been a substantial decrease in the number of CAP employees. This limited jobs creation program would reverse the trend of recent years, and would start to rebuild the strength of some Community Action Agencies.

The supplemental appropriation also requests \$55 million for a winterization program, \$10 million for a Migrant Assistance program, and \$6 million for the National Youth Sports program. Although programs now exist in each of these areas in other agencies, CSA has been able to reach poor people through the use of the CAP delivery system not covered by these other programs. Further, CSA has now developed the experience necessary to implement effective programs in winterization, migrant assistance, and youth recreation which is lacking in other agencies.

The present budget request does not provide sufficient funds for meaningful programs in research and demonstration, evaluation, and training and technical assistance. The supplemental appropriation includes funds necessary for development of comprehensive programs in these areas. A small increase here will have major impact on the effectiveness of other CSA expenditures.

Finally, this budget provides for a \$10 million increase in the community development corporation program over the current budget request. However, the level still represents a 20 percent decrease in funding from fiscal year 1977. The community development corporation program should be closely examined and those without potential should not be funded.

This supplemental budget reflects my conclusion that a small agency such as CSA is best suited to experimental and innovative programming. The budget signals a commitment to anti-poverty programs and, particularly, to CSA's role as an advocate for the poor in government.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

DECISION FOUR

*What did we recommend?*

LEGISLATIVE CHANGES: Two provisions of the existing legislation have generated considerable dispute: First, Section 225(c) of the Community Services Act limits CSA's payments to CAPs to 60 percent of the total CSA program costs in that CAP beginning in fiscal year 1977, with the CAP required to provide the remaining 40 percent. Until two years ago, the Federal share was 80 percent. Secondly, Section 601(e) of the Act requires that all contract grants be personally approved by the Director. A decision on whether to ask for amendments on these points should be made in the very near future.

PROVISION #1: RATIO OF FEDERAL TO NON-FEDERAL SHARE OF FUNDS

A. OPTIONS REGARDING PROVISION #1.

- 1) RETAIN PRESENT RATIO (60 PERCENT FEDERAL - 40 PERCENT NON-FEDERAL)
  - (a) The requirement of a larger non-Federal share encourages CAPs to seek out all available local funds. Their ability to locate such funds is a good indication of their local support.
  - (b) HOWEVER, many small rural CAPs and some larger CAPs are finding it very difficult to raise the required non-Federal share. The present 40 percent non-Federal share requirement, if continued, may cause many CAPs to sharply curtail, or to cease, their operations.
  - (c) There is not substantial saving to the Federal government as the non-Federal share is increased,

since the CAPs will attempt to inflate the value of their in-kind contributions (value of office space and volunteer help). However, many smaller CAPs cannot now justify a 10 percent increase in the value of their in-kind services for the second consecutive year.

(d) The higher non-Federal share requirement forces CAPs to give more attention to recruiting volunteers (in order to increase the value of their in-kind services) than to delivering needed services. While more volunteer involvement in CAPs is desirable, too much time spent recruiting volunteers decreases a CAPs impact.

(e) The increase from 30 percent to 40 percent has placed a particularly heavy burden on small rural CAPs which rely primarily on local governments for their increased non-Federal funds. Small rural municipalities have found it very difficult to provide such resources, and special attention might be given to their plight.

2) REQUEST A LEGISLATIVE AMENDMENT RESTORING THE NON-FEDERAL SHARE TO 30 PERCENT FOR LARGER CAPS AND 20 PERCENT FOR SMALLER CAPS.

(a) Such an amendment would enable most CAPs to continue present programs without curtailment.

(b) The suggested percentages still encourage CAPs to seek volunteers and additional sources of funding.

(c) HOWEVER, such a decrease in the non-Federal requirement encourages a passive reliance on Federal funds by local groups.

3) RETAIN THE PRESENT RATIO BUT MAKE LIBERAL USE OF THE WAIVER PROVISION IN THE LEGISLATION.

(a) There is a provision in the legislation (Section 225(c)) that allows the Director to waive the 40 percent non-Federal share requirement. This waiver provision could be interpreted broadly to assist those CAPs that are truly unable to comply.

(b) This temporary relief would prevent collapse of many existing CAP agencies while an evaluation of the impact of such a legislative amendment is made.

B. RECOMMENDATION: I recommend that legislation be requested to reduce the non-Federal share for large CAPs to 30 percent and for smaller CAPs to 20 percent. Such an amendment will prevent a decrease in CAP

services while encouraging maximum use of non-Federal funds. In addition, the present Acting Director and the new Director should be asked to give a broad interpretation to the waiver authority pending passage of the Legislative Amendment. However, this waiver should not be used as a permanent solution to this legislative problem because it was not intended to be used so extensively as to nullify the legislatively prescribed ratio.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

*Stu comment*

PROVISION #2: GRANT APPROVAL

A. OPTIONS REGARDING PROVISION #2

1) RETAIN PRESENT PROVISION REQUIRING DIRECTOR TO PERSONALLY APPROVE ALL GRANTS.

- (a) This provision places the responsibility for grant approval solely with the Director who has the broadest view of the agency's direction and standards.
- (b) Grant approval by the Director allows him or her to exercise great control over criteria for grant selection.
- (c) Many individuals and groups have stated that most of the regional directors now have little ability to judge the merits of grants. Until their quality is improved, grant approval is better vested in the Director.
- (d) HOWEVER, the present centralized system results in considerable delay in grant approval.
- (e) The Director does not usually have the detailed field knowledge necessary to determine the merit of individual grants, and he or she must rely heavily on the recommendations of regional staff.
- (f) The Director does not have the time to carefully consider grant requests.

2) SUPPORT A LEGISLATIVE AMENDMENT THAT WOULD ALLOW THE DIRECTOR TO DELEGATE GRANT-MAKING AUTHORITY TO REGIONAL DIRECTORS.

- (a) This change would expedite consideration of grants.
- (b) Such a change would again place funding authority with the CSA official possessing the most detailed knowledge of the grantee.
- (c) The Director would continue to supervise grant approval and establish guidelines for regional directors. He might spot check grants to insure compliance with the guidelines.
- (d) This change would allow a Director to focus his attention on more pressing national matters.
- (e) This increase in authority would upgrade the

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position of regional directors and help to attract more qualified people.

B. RECOMMENDATIONS: I recommend support for a legislative amendment allowing the Director to delegate grant-making authority to regional directors. This change will significantly improve the slow and burdensome grant approval process. It will reduce the ability of legislators to affect these determinations. This legislative change should be combined with a request that regional directors, once again, be made political appointments in order to upgrade their present quality and to make them more responsive to the Director.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

*Shu assess*

DECISION FIVE

REORGANIZATION PLAN: CSA is now in the initial stages of implementing a reorganization plan approved by the Ford Administration. The plan is now scheduled to be implemented within the next four to six months. A decision must be made whether to allow the plan to proceed, and to make changes after it has begun, or to delay further its implementation.

A. OPTIONS REGARDING DECISION FIVE

1) CONTINUE WITH IMPLEMENTATION OF THE PREPARATORY STAGE OF THE PLAN.

(a) This is the first positive direction in eight years that the agency has taken toward improving its organization. If the plan is delayed, some momentum will be lost and frustration will result.

(b) The existing plan does make some beneficial changes such as creating an Office of Policy, Planning, and Evaluation, standardizing regional offices, and eliminating inequities in grade classifications.

(c) The preparatory work now being performed must be completed before any reorganization plan can be implemented. The preparatory stages, which will last another two or three months, will not result in any permanent shifts in personnel.

2) SUSPEND IMPLEMENTATION OF THIS PLAN PENDING REVIEW BY NEW DIRECTOR.

(a) The reorganization plan will not reflect this administration's view of the agency's mission.

(b) The reorganization plan is cosmetic in many instances and does not adequately match personnel to the function or purposes of its programs.

(c) HOWEVER, suspension of its implementation would delay review of existing classification requirements, distribution of workload and implementation of the much needed Policy, Planning, and Evaluation Division.

B. RECOMMENDATION: I recommend that the initial stages of the existing plan be continued. It should be made clear that no actions should be taken in the next three months that cannot be reversed by the new Director. But all necessary evaluation of existing staff classifications and preparatory work should be completed on schedule. When a new Director is appointed, he or she should immediately begin a thorough review of the plan to reshape it to fit the intended mission of the agency and its funding level for fiscal year 1978.

APPROVE \_\_\_\_\_



DISAPPROVE \_\_\_\_\_

DECISION SIX

CONSIDER THE FOLLOWING RECOMMENDATIONS TO IMPROVE AGENCY EFFECTIVENESS. There are three areas in which changes can be begun immediately to augment the effectiveness of the agency and its programs. In each instance, the agency will be better able to serve the poor if it takes steps to clarify its own objectives and procedures.

RECOMMENDATIONS

A. IMPLEMENT A ZERO-BASED APPROACH TO THE AGENCY'S BUDGET. The agency has not developed adequate methods to evaluate its programs and to reach rational decisions regarding funding requests. The agency needs to develop procedures to prioritize programs competing for the same funds and to consider alternative methods of performing similar functions. The Acting Director should be directed to initiate preparation for adoption of zero-based budgeting in the fiscal year 1979 budget.

APPROVE \_\_\_\_\_



DISAPPROVE \_\_\_\_\_

*mandatory*

B. REWRITE THE AGENCY'S REGULATIONS AND INSTRUCTIONS. The agency's regulations and instructions are massive in volume and needlessly complex. These regulations and instructions now weighing almost nine pounds, should be reduced to language as simple and as direct as possible. The Acting Director can immediately begin this process and assign it a high

priority. Representatives of agency grantees and individual poor people should be involved in the rewriting procedure.

APPROVE



DISAPPROVE

C. ESTABLISH CSA REPRESENTATION ON THE DOMESTIC COUNCIL AND THE WELFARE REFORM TASK FORCE. CSA has virtually no official participation within interagency task forces and policy bodies that make decisions affecting the poor, with the exception of the Federal Energy Administration. Immediate attempts should be made to remedy this situation by establishing CSA representation on the Domestic Council and the Welfare Reform Task Force. This representation would provide for CSA staff input into the executive branch's policy councils; provide a forum for CSA to act as an advocate for the poor; and facilitate the exchange of information between CSA and other agencies and departments. Further, it would be viewed as an important sign of the Administration's commitment to the poor.

APPROVE

*ok for Welfare*

DISAPPROVE

D. STRENGTHEN MANDATE AND VISIBILITY OF THE NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY. This Council should play an important role in focusing the attention of concerned citizens on the programs of this agency. But in recent years there has been little attention paid to the work of the Council. While their annual reports have been thoughtful documents, they have had little impact on CSA programs.

The President should appoint to the Council individuals whose experience and perspicacity will be useful to the agency. The Council should be asked to select smaller groups of Council members to examine particular programs in detail. The Council should be instructed to re-examine the overall thrust of the agency periodically and to discuss its findings in detail with the top agency staff and the Domestic Council staff. Finally, the Council members should assist in providing information about CSA programs to groups outside Washington.

APPROVE

DISAPPROVE

*need?*

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INDIVIDUALS AND GROUPS CONSULTED

AS PART OF EVALUATION

AGENCY PERSONNEL

Robert C. Chase, Deputy Director, Executive Level III  
Hazel R. Rollins, General Counsel, GS-17  
William W. Sawyer, Associate Director, Office of Public Affairs, GS-14  
Louis P. Ramirez, Associate Director, Economic Development, GS-16  
Angel F. Rivera, Associate Director, Operations, GS-17  
Alphonse Rodriguez, Associate Director, Administration, GS-15  
R. Thomas Rollis, Jr., Controller, GS-16  
Edward J. Storey, Jr., Special Assistant to the Director, GS-14  
Theodore M. Jones, Special Assistant to the Director, GS-14  
Richard M. Saul, Program Research and Development Specialist, GS-15  
Robert W. Crittenden, Personnel Division Chief, GS-15  
Faye Rattner, Chief, Policy Development and Review Division, GS-15  
Robert F. Clark, Chief, Grantee Program Support Division, GS-14  
Phillip M. Weightman, Chief, Labor Management Relations, GS-14  
Patricia Stolfa, CAP Specialist, GS-13  
Maryanne Fair, Policy Staff Assistant, GS-11  
Margo Wilson Payne, Program Assistant, GS-7  
Sharon Anita Wormley, Clerk/Typist, GS-5  
Phillip R. Kete, President, National Council of CSA Locals  
Ben T. Haney, Regional Director, Dallas, Texas

CONSTITUENCY GROUPS

Ambrose Inman Lane, Executive Director, National Center for Community Action  
Pablo S. Eisenberg, President, Center for Community Change  
Phillip A. LoPresti, President, National Congress for Community Economic Development  
Anthony Maggiore, Associate Director, Community Relations--Social Development  
Commission of Milwaukee County  
Phillip Gillespie, Executive Director, Schenectady CAP, Inc., New York  
Joe Marinich, Executive Director, Council of State Community Affairs Agencies  
Jim Rice, Chairman, Committee on Human Resources  
Bill Pimental, Rhode Island State Economic Opportunity Officer  
Robert Tyson, Director, Governors Office of Planning and Programs, and State  
Economic Opportunity Office of Iowa  
John Giovanni, Wisconsin State Economic Opportunity Officer  
E. C. Walker, Secretary, National Community Action Agency Executive Directors Assn.  
Wilbur C. Russell, President, National Community Action Agency Executive Directors Assn.  
Charles Braithwait, Member, National Community Action Agency Executive Directors Assn.  
Mario D. Silva, 3rd Vice President, National Community Action Agency Executive  
Directors Assn.  
Cleveland Gilcrease, President, National Association of CAP Directors  
Don Sykes, 1st Vice President, National Association of CAP Directors  
W. Dean Goldsby, Secretary/Treasurer, National Association of CAP Directors  
Susie LaBord, Member, National Association of CAP Directors  
Peter G. T. Balgun, Member, National Association of CAP Directors  
Frank H. Hollis, 1st Vice President, Legislative Forum, United Planning Organization  
John L. Kearse, Past Chairman, National Congress for Community Economic Development

OTHER INDIVIDUALS AND GROUPS

David Kleinberg, Chief, Income Maintenance Branch, Human Resources Division, OMB  
John C. Seal, Budget Examiner, Human Resources Division, OMB  
Laurence F. Parachini, Jr., Independent Consultant  
Gino Baroni, President, National Urban Institute for Ethnic Studies  
K. Z. Chavis, Carter/Mondale Transition  
Frank Day, Carter/Mondale Transition  
National Council of La Raza  
Vincent Puritano, Deputy Associate Director for Intergovernmental Relations and  
Regional Operations, OMB  
Harvey A. Garn, Program Director, Urban Development Processes and Indicator  
Research, Urban Institute  
Fernando Oaxaca, Associate Director for Management and Operations, OMB  
Burt Harding, Deputy Director, National Academy of Public Administration  
Stephen Schlossberg, General Counsel, United Auto Workers

CONGRESSIONAL STAFF

Richard Johnson, Counsel, Subcommittee on Employment, Poverty and Migratory Labor,  
Committee on Labor and Public Welfare  
Mark Schneider, Legislative Assistant for Edward M. Kennedy  
Lisa Walker, Professional Staff Member, Committee on Human Resources  
Jon Steinberg, Counsel, Special Subcommittee on Human Resources, Committee on  
Human Resources  
Jim O'Connell, Economist, Committee on Human Resources  
Jim Sourwine, Professional Staff Member, Labor-HEW Subcommittee on Appropriations,  
Committee on Appropriations  
Gerry Johnson, Legislative Assistant, Office of Senator Warren G. Magnuson  
Susan Grayson, Staff Director, Subcommittee on Employment Opportunities, House  
Committee on Education and Labor  
Robert Knisely, Staff Assistant, House Subcommittee on Labor, Health, Education  
and Welfare, Committee on Appropriations  
Joseph C. Luman, Staff Director, Subcommittee on Manpower and Housing, House  
Committee on Government Operations  
Robert A. Levine, Deputy Director, Congressional Budget Office

MATERIALS EXAMINED AS PART  
OF EVALUATION

1. Carter/Mondale Transition Report for CSA.
2. CSA Study Submitted to Carter/Mondale Transition Task Force.
3. Community Services Administration, JUSTIFICATION OF APPROPRIATIONS ESTIMATES FOR COMMITTEE ON APPROPRIATIONS, FISCAL YEAR 1978, January, 1977.
4. House Report No. 94-785, Committee on Government Operations, MANAGEMENT DEFICIENCIES IN THE COMMUNITY SERVICES ADMINISTRATION, January 26, 1976.
5. Hearings before a Subcommittee of the House Committee on Government Operations, ALLEGED PERSONNEL ABUSES IN THE COMMUNITY SERVICES ADMINISTRATION, July and September, 1975.
6. Eighth Annual Report, NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY, June 30, 1975.
7. Draft of Ninth Annual Report, NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY, January 26, 1977.
8. United States General Accounting Office, Human Resources Division, EVALUATION OF EFFECTIVENESS OF CAA's, July 20, 1976.
9. Office of Management and Budget, COMMUNITY ECONOMIC DEVELOPMENT STUDY, September, 1976.
10. CSA, REORGANIZATION PLAN FOR 1,067 POSITIONS, CSA ORGANIZATIONAL MANUAL, July, 1976.
11. REPORT ON CSA AGENCY REVIEW MEETING, December 13, 1976.
12. Annals of the American Academy of Political and Social Science, EVALUATING THE WAR ON POVERTY, September, 1969.
13. ABT Associates, Inc., AN EVALUATION OF THE SPECIAL IMPACT PROGRAM REPORT TO THE OFFICE OF ECONOMIC OPPORTUNITY, December, 1973.
14. POOR PEOPLE'S PLATFORM, 1976.
15. Robert A. Levine, THE POOR YE NEED NOT HAVE WITH YOU, The MIT Press.
16. Sar A. Levitan and Robert Taggart, Howard University Press, THE PROMISE OF GREATNESS, 1976.
17. Metropolitan Applied Research Center, Inc., A RELEVANT WAR AGAINST POVERTY, 1968.

18. Sar A. Levitan, The Johns Hopkins Press, THE GREAT SOCIETY'S POOR LAW, 1969.
19. NATIONAL AGREEMENT BETWEEN THE OFFICE OF ECONOMIC OPPORTUNITY AND AFGE, (NATIONAL COUNCIL OF OEO LOCALS), March 1972, as amended.
20. Mariscal and Company, COMMUNITY SERVICES ADMINISTRATION: COMMUNITY ACTION AGENCY PROGRAMMATIC AND BUDGETARY SURVEY, VOLUME I., April 1976.
21. SERIES OF CSA INSTRUCTIONS IMPLEMENTING REGULATIONS.
22. LEGISLATIVE MANDATE AND LITIGATION REPORT from General Counsel of the COMMUNITY SERVICES ADMINISTRATION.
23. Briefing Paper, COMMUNITY DEVELOPMENT CORPORATION PROGRAM, February 1977, Community Services Administration.
24. A REVIEW OF ABT ASSOCIATES' EVALUATION OF THE SPECIAL IMPACT PROGRAM, A Center for Community Economic Development Research Report, June 18, 1976.
25. Annual budget estimates for Fiscal Year 1978, COMMUNITY SERVICES ADMINISTRATION.
26. National Community Action Agency Legislative Forum, WHY COMMUNITY SERVICES ADMINISTRATION SHOULD REMAIN AN INDEPENDENT AGENCY.
27. William W. Allison, COMMUNITY ACTION, July 1976 (Paper).
28. Pablo Eisenberg, REVITALIZING THE NATION'S ANTI-POVERTY PROGRAM (Paper).
29. Kelly, Rita Mae, COMMUNITY PARTICIPATION IN DIRECTING ECONOMIC DEVELOPMENT, Center for Community Economic Development, 1976.
30. COMMUNITY SERVICES ADMINISTRATION REGULATIONS, 45 Code of Federal Regulations, Parts 1005-1078.
31. SUMMARY OF 1975 COMMUNITY ACTION AGENCIES SAMPLE SURVEY, Community Services Administration.
32. National Community Action Trust Fund, COMMENTS ON ISSUES FACING CSA, February 4, 1977.
33. National Congress for Community Economic Development, COMMENTS ON ISSUES FACING CSA, February 9, 1977.
34. RURAL AMERICA, REMARKS BY CLAY COCHRAN TO NATIONAL COMMUNITY ACTION AGENCY, October 18, 1976.

### ATTACHMENT III

A number of key interest groups and individuals have been asked for recommendations for CSA Director. The names listed below represent those most highly recommended by a number of these groups. Among the groups consulted were:

National Governor's Conference  
U. S. Conference of Mayors  
National Women's Political Caucus  
National Council of Senior Citizens  
National Association for the Advancement  
of Colored People  
National Council of La Raza  
Urban Institute  
Urban League  
Urban Coalition  
United Auto Workers  
League of Women Voters

WILLIAM W. ALLISON: Currently, Executive Administrator, Economic Opportunity of Atlanta, Inc. Significant Achievements: President, Georgia Community Action Association; Member, Board of Directors of Coca-Cola. Education: B. A., De Pauw University; M.A., University of Philipines; M.P.A., University of Pittsburgh. Born, September 10, 1933. Address: P.O. Box 1554, Atlanta, Georgia 30303. Telephone: (404) 691-4426.

GARY BELLOW: Currently, Professor of Law, Howard Law School; formerly, Visiting Professor of Law, Howard University, 1971-72; Associate Professor of Law, University of Southern California School of Law, 1968-71; Deputy Director of California Rural Legal Assistance, 1966-68; Deputy Executive Director for the United Planning Organization, 1965-68; Administrative Director of United Planning Organization, 1965; Deputy Director of the Legal Aid Agency for District of Columbia, 1962-65. Significant achievements: Office of Economic Opportunity, Outstanding Attorney; National Legal Services Program, 1968; Young Lawyer of the Year, D. C. Bar Association, 1964. Education: A.B., Yale University, 1957; LL.B., Harvard University, 1960; LL.M., Northwestern University, 1961. Born, June 9, 1935. Address: %Harvard Law School, Langdell Hall, Room 367, Cambridge, Massachusetts, 02138. Telephone: (617) 495-4733.

ARTHUR J. BLAUSTEIN: Currently, Economic Development co-ordinator, National Housing Law and Economic Development Project, University of California, Berkeley, Earl Warren Institute, since 1969, formerly, President, Gesalt, Inc., NYC., 1958-61; Executive Director, N. Y.

Metropolitan Commission of United World Federalists, 1959-61; Associate Editor, WAR/PEACE REPORT, N. Y. C., 1961-63; Program Officer, Foreign Policy Association, N.Y.C. 1963-65; Associate Director and Director of Public Affairs and Congressional Relations for Northeast Region of U.S. Office of Economic Opportunity, 1965-66; Director of Inter-agency Co-ordination and Inter-governmental Affairs for Northeast Region, 1966-68; Member of Vice President Humphrey's staff, 1964. Significant achievements: Chairman of Board of Directors for Center for Rural Studies; Chairman, Legislative Oversight Committee for National Congress for Community Economic Development; Chairman, National Joint Legislative Task Force; Vice President, Board of Directors for National Training Institute for Community Economic Development. Education: B.A., Bard College, 1957; M.A., Columbia University, 1970; Ph.D., University of California, Berkeley, 1971. Born, September 1, 1933. Address: National Economic Development Law Project, 2313 Warring Street, Berkeley, California, 94704; 820 Oxford Street, Berkeley, California, 94707. Telephone: (415) 642-2826.

WILEY AUSTIN BRANTON: Currently, Attorney, Dolphine, Branton, Stafford and Webber; formerly, Director of Community and Social Action, Alliance for Labor Action, 1969-71; Executive Director, United Planning Organization, 1967-69; Special Assistant to Attorney General of U. S., 1965-67; Director, Voter Education Project, Southern Regional Council, 1962-65. Significant achievements: Chief Counsel for Black Plaintiffs in Little Rock School Desegregation Case; named one of 100 most important young men or women in U.S., Life Magazine, 1962; one of America's 100 most influential Negroes, Ebony Magazine, 1963; recipient of numerous awards for participation in civil rights litigation. Education: B. A., Arkansas A.M. and N. College, 1950; LL.B., University of Arkansas, 1953. Born, December 12, 1923. Address: 666 11th Street, N. W., Washington, D.C., 20001. Telephone: (202) 554-5448.

MARIAN WRIGHT EDELMAN: Currently, Director Children's Defense Fund of Washington Research Project; formerly, Director N.A.A.C.P. Legal Defense and Education Fund, Jackson, Mississippi, 1964-68; Congressional and Federal Liaison Poor People's Campaign, 1968; Partner, Washington Research Project of So. Center for Public Policy, 1968-73; Director, Harvard University Center for Law and Education, 1971-73. Significant achievements: named an Outstanding Young Woman of America, 1966; Member Yale University Corporation; Trustee, Spelman College, Atlanta; Board of Directors, Center for Law and Social Policy. Education: B. A., Spelman College, 1960; LL.B., (J.H. Whitney Fellow, 1960-61) Yale, 1963; Smith College, 1969. Born, June 6, 1939. Address: 1746 Cambridge St., Cambridge, Massachusetts, 02138. Telephone: (202) 483-1470.

MAYOR RICHARD G. HATCHER: Currently, Mayor, Gary, Indiana since 1967; formerly, Deputy Prosecutor, Lake County, Indiana; Councilman-at-Large, Gary City Council, 1963-66. Significant achievements: Co-Chairman, Legislative Action Commission; Trustee, Member Human Resources Commission, U. S. League of Cities, now Chairman of Commission, also Board of Directors; Chairman of Education Subcommittee of Indiana Advisory Commission to U. S. Commission on Civil Rights; Member, Executive Commission of National Urban Coalition; founder, National Black Caucus of Locally Elected Officials; Convenor of National Black Political Convention; Member, Steering Committee of National Black Assembly; Chairman, Indiana State Caucus; Member, Indiana Executive Board of N.A.A.C.P., also legal advisor to Gary Chapter; Board of Directors Greater Gary United Fund; Trustee and member of Advisory Committee, Gary Urban League; Chairman, Gary City Democrat Committee on Delegate Selection; Gary Jaycees. Education: B.A. Indiana University; LL.B., Valparaiso University. Born, July 10, 1933. Address: City Hall, 401 Broadway Street, Gary, Indiana, 46402. Telephone: (219) 944-6501.

ELEANOR HOLMES NORTON: Currently, Lawyer; formerly, Assistant Legal Director, American Civil Liberties Union, N. Y.C., 1965; National Staff, March on Washington, 1963. Significant achievements: law clerk to Judge A. Leon Higginbotham, 1964-65; Member of Board of A. Philip Randolph Institute, Workers Defense League; Vice President of Studio Museum of Harlem. Education: B. A., Antioch College, 1960; M.A., Yale, 1963; LL.B., 1964. Born, June 13, 1937. Address: 145 W. 104th Street, N. Y. C., 10025; 156 Fifth Avenue, N. Y. C., 10010. Telephone: (212) 566-5588.

GRACIELA (GRACE) OLIVAREZ: Currently, Director of State Planning, New Mexico; formerly, Director, Institute for Social Research and Development, University of New Mexico; Professor, University of New Mexico Law School. Significant achievements: Consultant, National Commission on Rural Poverty. Education: J. D., University of Notre Dame. Born: March 9, 1928. Address: 3908 Parsifal, N. E., Albuquerque, New Mexico, 87111. Telephone: (505) 827-2073.

CESAR PERALES: Currently, Director, Puerto Rican Legal Defense and Education Fund (PRLDEF). Significant achievements: Executive Director, Criminal Justice Coordinating Council for the City of New York. Education: B. A., City University of New York; J. D., Fordham University. Born, November 12, 1940. Address: 218 Wycoff Street, Brooklyn, New York, 11217. Telephone: (212) 834-8598.

FRANKLIN THOMAS: Currently, President, Bedford Stuyvesant Restoration Corporation, Brooklyn, New York; formerly, Assistant U. S. Attorney for Southern District, N. Y., 1964-65; Deputy Police Commissioner in charge of legal matters, N. Y.C., 1965-67. Significant achievements: Director of First National City Bank, CBS, Inc., N. Y. Telephone Company., N. Y. Life Insurance Company, Carnegie Corporation of N. Y., Lincoln Center, Urban Institute. Recipient award City Club of N. Y., 1973; LBJ Foundation award for contributing to Betterment of Urban Life, 1974; named Outstanding Young American, U. S. Junior Chamber of Commerce, 1967. Education: B.A., Columbia College, 1956; LL.B., Columbia, 1963; LL.D., Yale, 1970, Fordham University, 1972, Pratt Institute, 1974. Born, May 27, 1934. Address: 308 Lafayette Avenue, Brooklyn, N. Y. 11238. Telephone: (212) 636-3360.

From the above list, I highly recommend the following individuals:

1. Gary Bellow
2. Arthur Blaustein
3. Wiley Austin Branton
4. Marian Wright Edelman
5. Eleanor Holmes Norton
6. Graciela Olivarez
7. Cesar Perales
8. Franklin Thomas

RECOMMENDED BUDGET REQUEST FOR CSA

1. Community Action Operations	
Community Action Agencies	
Existing Request.....	\$330*
8% Cost of Living Increase.....	28
Job Creation (2,000 new jobs).....	<u>16</u>
	.....374
2. Senior Opportunities and Services.....	10
3. State Economic Opportunity Offices.....	12
4. Community Food and Nutrition	
This program should be combined with existing programs at the Department of Agriculture.....	0
5. Emergency Energy Conservation.....	55
6. National Youth Sports Program.....	6
7. Summer Youth Recreation Program	
This program should be combined with existing programs in the Department of Labor. If this program cannot be transferred this year, then \$17 million should be requested for CSA.....	0
8. Research and Demonstration	
Rural Housing.....	5
Research and Demonstration.. <u>3</u>	
	..... 8
9. Training and Technical Assistance.....	2
10. Migrant Assistance Program.....	10
11. Community Development Program.....	40
12. Program Administration.....	31
13. Evaluation (Title IX).....	<u>3</u>
	<u>551 Million**</u>

\*All numbers computed in Millions of Dollars

\*\*If the Summer Youth Recreation Program cannot be transferred to the Labor Department this year, then the total CSA budget request would be \$566 Million. The FY 1977 appropriation for CSA was \$511 Million.

THE WHITE HOUSE  
WASHINGTON

February 23, 1977

Frank Moore:

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Tim Kraft

Re: Congressional Mail

THE WHITE HOUSE  
WASHINGTON

cc to

F Moore

T Krayt

THE PRESIDENT HAS SEEN.

MAIL SUMMARY 2/22/77

PAGE -1-

FROM

Sen. John McClellan

Senators Haskell,  
Hart, Abourezk,  
Bartlett, Bellmon,  
Burdick, Domenici,  
Garn, Hatch, Hathaway,  
Hathaway, Hayakawa,  
Long, McClellan,  
McGovern, Muskie,  
Young,  
(telegram)

SUBJECT

Recommends Wilbur Dillahunty  
for U.S. Court of Military  
Appeals.

Request meeting with President  
within the next few days to  
discuss their concern about  
elimination of water projects.

Sen. John Glenn

Forwards letter from William  
Delancey, President of Republic  
Steel, and joins him in urging  
continuation of import quotas  
on stainless and tool steel  
products.

Sen. Dick Clark

Opposes the current policy  
of requiring the Soviet Union  
to use American vessels to  
transport a percentage of the  
grain purchases from the U.S.;  
feels this has negative impact  
on our grain farmers.

CONGRESSIONAL MAIL TO THE PRESIDENT

DISPOSITION

FM (DT)

FM (DT)

Exec. Office  
Trade Rep.

ack-JC/Agric.  
cc:ZB

COMMENTS

SIGNATURE

ok c me

MAIL SUMMARY

2/22/77

PAGE

-2-

CONGRESSIONAL MAIL TO THE PRESIDENT

FROM

Rep. Don Edwards

SUBJECT

Joins the Japanese American Citizens League in urging more appointments of Asian Americans to high level positions in the Administration.

Sen. John McClellan

Recommends James Yancey for appointment to Mississippi River Commission.

Rep. James Johnson

Forwards constituent letter recommending David Evans for consideration as Ambassador to Mexico.

Rep. Robert Leggett

Requests that you reconsider resignation of Gil Stamm from his position as Commissioner of Bureau of Reclamation.

Sen. Dennis DeConcini

Recommends Sam Lena for membership on National Commission for Manpower Policy.

Rep. Sam Gibbons

Recommends Bill Pearce for appointment as Special Representative for Trade Negotiations.

DISPOSITION

ack-JC

FM (DT)

ack-JC/JK

ack-JC/JK

ack-JC/JK

COMMENTS

SIGNATURE

MAIL SUMMARY

2/22/77

PAGE

-3-

CONGRESSIONAL MAIL TO THE PRESIDENT

FROM

Rep. Jack Brooks

SUBJECT

Encloses constituent  
letter requesting that  
the Bar-B Square Dance  
Club be invited to a  
White House square dance.

Rep. Bob Wilson

Constituent letter requesting  
information on appointment  
of Henry Cabot Lodge.

DISPOSITION

Gretchen  
Posten

"holding"

COMMENTS

SIGNATURE

PH

THE WHITE HOUSE  
WASHINGTON

Rick--

the originals of these  
have been given to  
Mr. Kirbo

-- SSC

THE WHITE HOUSE  
WASHINGTON

2-23-77

To Waller Dudley

I have learned of your  
able & successful handling  
of my representation in the  
Tector case in the U.S.  
District Court.

Congratulations, & Thank  
you for having given so  
generously of your professional  
services & time on my behalf.

Your friend

Jimmy Carter

E. Waller Dudley, Esquire  
Boothe, Prichard & Dudley  
Post Office Box 1101 (711 Princess Street)  
Alexandria, Virginia 22313

bcc: Mr. Charles Kirbo

THE WHITE HOUSE  
WASHINGTON

To Brooks Harlow 2-23-77

I am honored to send  
Fay School my picture &  
this note which I under-  
stand will join the school's  
collection of writings of U.S.  
presidents.

Best wishes,

Jimmy Carter

Brooks Harlow, Headmaster  
Fay School  
Southborough, Massachusetts 01772

bcc: Mr. Charles Kirbo

RICHARD WAIT  
BROOKS POTTER  
JESSE R. FILLMAN  
JOHN M. HALL  
RAYMOND W. ELLIS  
JOHN DANE, JR.  
WM. ARTHUR DUPEE  
CONRAD W. OBERDORFER  
G. DANDELOT BELIN  
CHARLES F. CHOATE  
WILMOT T. POPE  
RHODES G. LOCKWOOD  
JEROME E. ANDREWS, JR.  
HENRY W. MINOT, JR.  
JEPHTHA H. WADE  
JOHN M. FERRY  
WILL J. BANOS  
JAMES C. HEIGHAM  
NATHANIEL T. DEXTER  
ROBERT M. GAROILL  
ANDREW L. NICHOLS  
THAYER FREMONT-SMITH  
MARK A. MICHELSON  
WELD S. HENSHAW  
MARION R. FREMONT-SMITH  
CARLA B. HERWITZ  
BRINTON P. ROBERTS  
FRANK B. PORTER, JR.  
JOHN D. MILLER  
JOHN R. WALKER  
KENNETH LAURENCE  
ROBERT S. FRANK, JR.  
KENNETT F. BURNES  
BOARDMAN LLOYD  
ALLEY M. BORNHEIMER  
EDWARD F. HINES, JR.

## CHOATE, HALL & STEWART

28 STATE STREET

AREA CODE 617

TELEPHONE 227-5020

CABLE ADDRESS CHOHALSTE

TELEX 94-0216

CHARLES F. CHOATE, JR.

1899-1927

JOHN L. HALL

1899-1980

RALPH A. STEWART

1904-1926

BOSTON, MASS. 02109

January 28, 1977

Charles H. Kirbo, Esquire  
King and Spalding  
2500 Trust Company of Georgia Building  
Atlanta, Georgia 30303

Dear Mr. Kirbo,

Let me introduce myself as a Fellow of the American College of Trial Lawyers. Unless I am mistaken you were present in Boston at a reception for President Carter in February, 1976, at which former Governor Endicott (Chub) Peabody endorsed Jimmy Carter. Needless to say, I have been a contributor to and strong supporter of President Carter since that time.

I have a special and unusual favor to ask of the President. Fay School, Southborough, Massachusetts, 01772, is the oldest boys elementary boarding school in the nation, having been founded in 1866. I am a trustee of and counsel for the school. The school has a collection of actual writings of each President from George Washington on. Since about 1870 these have been in the form of letters from the Presidents addressed to the school with their pictures.

What the school and I would very much appreciate would be a short handwritten note from President Carter and an unsigned picture. The note might read as follows:

Charles H. Kirbo, Esquire

-2-

January 28, 1977

Brooks Harlow, Headmaster  
Fay School  
Southborough, Massachusetts 01772

Dear Mr. Harlow,

I am delighted and honored to send Fay School my picture and this note which I understand will join the school's collection of writings of all the Presidents of the United States. Fay School has a splendid tradition. My best wishes to Fay School, its students and its faculty.

Sincerely yours,

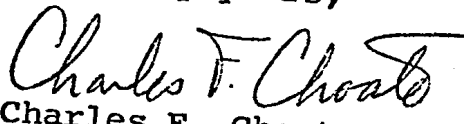
Jimmy Carter

\* \* \* \* \*

It might interest you and the President that Presidents Nixon and Ford attempted to send the school facsimile signatures, but were finally persuaded to furnish the real thing.

My thanks in advance for the type of small favor which must annoy Presidents and their advisers greatly.

Sincerely yours,

  
Charles F. Choate

CFC:kmm